

Monday, 3rd November, 1980.

The Gilt Edged market opened up to $\frac{1}{4}$ down this morning. Although activity was at a relatively low level, buyers were deterred by continuing talk of higher U.S. interest rates, and by the imminence of tomorrow's banking figures. As a result, a little selling during the morning was sufficient to bring prices back further, and by lunchtime shorts were up to $\frac{1}{2}$ down, while longs had lost up to $\frac{3}{4}$. In the afternoon, the selling abated and with a few cheap buyers in evidence, longs improved slightly, and the whole list closed up to $\frac{1}{2}$ down on the day.

The Industrial market opened steady at the beginning of the second week of the account. However, prices quickly declined during the day following another dismal economic forecast at the week-end. Banking figures tomorrow are also expected to be rather discouraging. Most sectors managed to close just above the worst as buyers appeared at the lower levels in quiet trading conditions. Oil shares continued to encounter profit-taking and were generally weak throughout. Shell were dull prior to an anticipated production cut and possible Chemical Division redundancies. An adverse press article affected several secondary Engineering companies but sector leaders were mainly steady. Banks, Insurances and Electricals, which have recently been well supported, showed widespread falls as sellers were seen. Stores were generally dull and Great Universal Stores were flat on bearish press comment after publication of the annual report. Kaffirs were firm as the gold price improved.

Financial Times Index (3.00 p.m.) 482.0 (down 4.5)

<u>BANK</u>	Sales		NIL
	Purchases	£	2,953,000
	Nett Purchases on balance	£	2,953,000